

Agency Proposed Budget

The following table summarizes the total executive budget proposal for the agency by year, type of expenditure, and source of funding.

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	124.97	0.00	3.00	127.97	0.00	3.00	133.14	133.14
Personal Services	7,639,179	1,304,807	170,762	9,114,748	1,321,843	170,901	9,131,923	18,246,671
Operating Expenses	2,333,927	348,858	135,647	2,818,432	(17,526)	74,782	2,391,183	5,209,615
Equipment	21,693	68,307	0	90,000	38,307	0	60,000	150,000
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$9,994,799	\$1,721,972	\$306,409	\$12,023,180	\$1,342,624	\$245,683	\$11,583,106	\$23,606,286
General Fund	7,730,017	1,471,457	306,409	9,507,883	1,690,463	245,683	9,666,163	19,174,046
State/Other Special	2,264,782	250,515	0	2,515,297	(347,839)	0	1,916,943	4,432,240
Total Funds	\$9,994,799	\$1,721,972	\$306,409	\$12,023,180	\$1,342,624	\$245,683	\$11,583,106	\$23,606,286

Agency Description

The Legislative Branch consists of entities consolidated as provided in 5-2-503, MCA. The principal consolidated entities include the Senate, the House of Representatives, the Legislative Services Division, the Legislative Fiscal Division, and the Legislative Audit Division. The Senate and the House of Representatives together compose the Legislature which exercises the legislative power of state government, creates the laws of the state and appropriates funds for the functions of state government.

Standing and interim committees of the legislature, aided by supporting divisions of the Legislative Branch, monitor the functions of state government and report to the legislature. The Legislative Audit Committee, Legislative Council, and Legislative Finance Committee provide oversight and management of legislative divisions during the interim.

The budget for the three staff divisions and legislative interim work is presented in HB 2. The budget for House and Senate activity is presented in HB 1, the "feed bill."

Agency Highlights

Legislative Branch Major Budget Highlights	
<ul style="list-style-type: none"> ◆ The Legislative Branch budget request is an average of 6 percent higher each year over the 2007 biennium. The increases are primarily due to \$552,000 in new proposals, a branch pay and classification market revision, and annualization of the 2007 biennium statewide pay plan ◆ New proposals are primarily related to: <ul style="list-style-type: none"> • 3.0 FTE related to information management and information technology development/security • Provision of computers/information technology access to legislators • Expanded legislative participation in regional and interstate cooperative organizations 	
Major LFD Issues	
<ul style="list-style-type: none"> ◆ Staffing levels/overtime 	

Agency Discussion

Goals and Objectives:

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the legislature may wish to review the following:

- Goals, objectives and year-to-date outcomes from the 2007 biennium
- Goals and objectives and their correlation to the 2009 biennium budget request

Any issues related to goals and objectives raised by LFD staff are located in the program section.

The Legislative Branch (branch) business cycle is biennial, related to the cyclical nature of legislative sessions, production and publication of the Montana Codes Annotated, interim study committees and activities, and biennial audit work. As such, the Legislative Branch receives biennial appropriations. However, as a means to facilitate comparison, the budget is presented in annual format for budget review. Changes to the base year reflect the difference of activity from legislative session to interim years. Comparisons to the base year give a distorted picture in that session costs are not in the budget base year (even years), yet recur every other year (odd year). A biennium-to-biennium comparison provides a more accurate comparison.

The Legislative Branch budget is presented as the approving legislative committees adopted it prior to submission of original agency budgets to the Governor's Office. It represents a present law budget and identified new initiatives, consistent with the original submissions by executive branch agencies. The executive is statutorily required to present the Legislative Branch budget as submitted.

LFD ISSUE

Staffing Levels

The legislature may need to more clearly define staff workload expectations and revise staffing levels to meet that expectation.

The legislature has leveraged the cyclical nature of biennial session and interim work to minimize the amount of permanent legislative support staff by significantly understaffing for session and session preparation, i.e., expecting staff to put in significant overtime hours for session activities in the form of compensatory time, and then allowing staff to use the compensatory time earned in the interim period between sessions. In prior decades, this has been an effective tool for minimizing staff resources required to support the legislature (particularly since overtime hours are on an hour-for-hour basis), but has been an issue for over a decade as staff finds it difficult to find the time to use the hours earned. While overtime hours vary, they can be as high as 500 hours per staff member in the session cycle, which then must be used in a 16 month period prior to the start of the next session cycle. While staff has been able to use the earned hours in all but a few cases where earned time was either lost or extended, it has meant that legislative projects have had to be reduced in scope or foregone in order to allow the earned time to be used.

The problem can be largely attributed to a significant change in the cyclical work pattern. Staff resources are no longer being managed predominantly on a session basis. Interim work expectations and work plans have become more extensive over the years, and there is no longer a significant "down time" so that staff can easily utilize the earned time off. Staff has had to turn down or negotiate cutbacks in priority work plan items to reach legislative deadlines for use of earned time off. Legislators and interim committees have expressed frustration with non-availability of staff to respond to their needs.

An example of the workload crunches that stress existing staff resources is the recent court ordered revision of funding methodology for schools. Several research, legal, and fiscal staff were tasked to do extensive work for nearly a year in preparation for the 2005 session, then were a prime resource on this issue during the session.

**LFD
ISSUE (CONT.)**

This was followed by assignment to staff an interim study in the eight months following the session, followed by staffing a special session. In a nearly two year period, those staff not only couldn't find time to use earned hours for time off, they were earning additional overtime hours working on this issue. This is not an isolated issue, as the pace of legislative work and "crises" seldom subsides.

The products and services that staff provide have grown significantly in the past 20 years, yet staffing levels have remained static over that same period. For the three staff divisions of the branch, allowed FTE in total is the same as in 1986, and actually less than in 1980. While a significant part of the ability to increase services in response to greater demand can be attributed to a wise investment in information technology over increased staffing, the pressure to expand services to meet the needs of the state's legislative body are becoming more difficult to attain. This is further exacerbated by the implementation of term limits. The legislature must rely more heavily on staff as a result of less experience to provide continuity of institutional knowledge and to provide more services.

Of significant concern to staff directors is that over 25 percent of legislative staff is eligible to retire in the next 5 years, and a significant "brain drain" will occur that will make it very difficult to maintain the current level of services with existing staff levels.

The level of resources that the legislature considers necessary to function effectively is directly related to legislative expectations, and is a policy issue for the legislative body to decide. There is a dual issue that the legislature should consider during budget and policy decisions of the 2007 legislative session:

- What level of staff services is the legislature willing to accept? Is the level of services currently provided adequate, or are priority projects being set aside due to a lack of sufficient staff resources?
- Are workload demands on existing staff realistic? In view of the increased level of service demands while retaining static staff resource levels for over 20 years, is it time to review the current legislative staffing levels to achieve a more realistic and equitable level of workload expectation from staff?

**LFD
COMMENT**

The annual statewide present law personal service adjustment for the 2009 biennium is \$1.3 million higher than the FY 2006 personal services base. About \$700,000 of the increase is attributable to annualizing the pay plan approved by the 2005 Legislature. Had no vacancies existed, base expenditures would have been about \$213,000 higher annually. The branch implemented a revised pay and classification plan to achieve market equity in FY 2006. The costs of annualizing this plan is about \$282,000. The remaining costs of about \$105,000 are attributable to salary and pay grade adjustments not funded in the pay plan and increased costs of employee benefits.

**LFD
COMMENT**

The executive has proposed a 4 percent vacancy savings rate for agencies with more than 20 FTE, but does not recommend vacancy savings for the Legislative Branch as a matter of statute and policy. The issue of vacancy savings for the Legislative Branch will be negotiated with legislative leadership and the General Government Joint Subcommittee on Appropriations as part of the branch budget deliberations.

Funding

The following table summarizes funding for the agency, by program and source, as recommended by the approving authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2009 Biennium Executive Budget				
Agency Program	General Fund	State Spec.	Grand Total	Total %
20 Legislative Services Division	\$ 10,792,010	\$ 1,201,725	\$ 11,993,735	50.81%
21 Legis. Committees & Activities	994,532	-	994,532	4.21%
27 Fiscal Analysis & Review	2,968,054	-	2,968,054	12.57%
28 Audit & Examination	4,419,450	3,230,515	7,649,965	32.41%
Grand Total	<u>\$ 19,174,046</u>	<u>4,432,240</u>	<u>\$ 23,606,286</u>	100.00%

Biennium Budget Comparison

The following table compares the legislative budget request in the 2009 biennium with the 2007 biennium by type of expenditure and source of funding. The 2007 biennium consists of actual FY 2006 expenditures and FY 2007 appropriations.

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	Present Law Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Biennium Fiscal 06-07	Total Exec. Budget Fiscal 08-09
FTE	124.97	3.00	127.97	124.97	3.00	133.14	124.97	133.14
Personal Services	8,943,986	170,762	9,114,748	8,961,022	170,901	9,131,923	16,340,839	18,246,671
Operating Expenses	2,682,785	135,647	2,818,432	2,316,401	74,782	2,391,183	4,583,548	5,209,615
Equipment	90,000	0	90,000	60,000	0	60,000	160,251	150,000
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$11,716,771	\$306,409	\$12,023,180	\$11,337,423	\$245,683	\$11,583,106	\$21,084,638	\$23,606,286
General Fund	9,201,474	306,409	9,507,883	9,420,480	245,683	9,666,163	16,918,601	19,174,046
State/Other Special	2,515,297	0	2,515,297	1,916,943	0	1,916,943	4,166,037	4,432,240
Total Funds	\$11,716,771	\$306,409	\$12,023,180	\$11,337,423	\$245,683	\$11,583,106	\$21,084,638	\$23,606,286

New Proposals

The "New Proposals" table summarizes all new proposals requested by the legislative branch. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	-----Fiscal 2008-----					-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Network Technician FTE/Contracted Srv Reduction										
20	1.00	(26,393)	0	0	(26,393)	1.00	(26,353)	0	0	(26,353)
DP 3 - Computer Security FTE/Contracted Srv Reduction										
20	1.00	(436)	0	0	(436)	1.00	74,624	0	0	74,624
DP 4 - Technology Allowance for Legislators										
20	0.00	135,000	0	0	135,000	0.00	0	0	0	0
DP 5 - Legislative Information Officer FTE										
20	1.00	63,605	0	0	63,605	1.00	59,651	0	0	59,651
DP 7 - Participation, Nat'l Conf of State Legislatures										
21	0.00	14,248	0	0	14,248	0.00	14,248	0	0	14,248
DP 8 - Participation & Dues, Council of State Govt.										
21	0.00	91,177	0	0	91,177	0.00	94,303	0	0	94,303
DP 9 - Participation, Pacific NW Econ Region										
21	0.00	20,538	0	0	20,538	0.00	20,539	0	0	20,539
DP 10 - Participation, River Governance										
21	0.00	8,670	0	0	8,670	0.00	8,671	0	0	8,671
Total	3.00	\$306,409	\$0	\$0	\$306,409	3.00	\$245,683	\$0	\$0	\$245,683

Program Proposed Budget

The following table summarizes the total executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	51.00	0.00	3.00	54.00	0.00	3.00	59.17	59.17
Personal Services	3,313,004	465,820	164,150	3,942,974	543,591	164,287	4,020,882	7,963,856
Operating Expenses	1,833,022	257,045	7,626	2,097,693	5,529	(56,365)	1,782,186	3,879,879
Equipment	21,693	68,307	0	90,000	38,307	0	60,000	150,000
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$5,167,719	\$791,172	\$171,776	\$6,130,667	\$587,427	\$107,922	\$5,863,068	\$11,993,735
General Fund	4,337,321	756,904	171,776	5,266,001	1,080,766	107,922	5,526,009	10,792,010
State/Other Special	830,398	34,268	0	864,666	(493,339)	0	337,059	1,201,725
Total Funds	\$5,167,719	\$791,172	\$171,776	\$6,130,667	\$587,427	\$107,922	\$5,863,068	\$11,993,735

Program Description

The Legislative Services Division provides objective research, reference, legal, technical, information technology, and administrative support services to the House, Senate, and other divisions of the Legislative Branch. Division services include: 1) bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills; 2) publication of legislative documents of record; 3) provision of legislative research and reference services; 4) legal counseling on legislative matters and agency legal support; 5) agency business services; 6) planning, installation and maintenance of the agency computer network and applications; 7) legislative committee staffing and support; 8) preparation, publication and distribution of the Montana Code Annotated text and annotations; 9) review of the text of proposed ballot measures; 10) broadcasting of legislative activities; and 11) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Program Highlights

Legislative Services Division Major Budget Highlights	
<ul style="list-style-type: none"> ◆ Funding adjustments are attributed to: <ul style="list-style-type: none"> • Statewide present law adjustments for pay plan annualizations and adjustments • Adjustments in operating expenses related to the cyclical nature of the legislative process • New proposals for: <ul style="list-style-type: none"> ○ 2.0 FTE for information technology security and operations, funded mostly by reductions in base expenditures ○ 1.0 FTE for a legislative information officer ○ Financial allowance for legislators for computer support on legislative business 	
Major LFD Issues	
<ul style="list-style-type: none"> ◆ Information technology cost management 	

Program Narrative

This program has present law adjustments for the cyclical session employee costs in FY 2009. These costs do not occur in the non-session base year, and do not represent a true increase when comparing biennium to biennium.

This program pays all fixed costs for the Legislative Branch programs. A significant increase is attributable to increases of over \$200,000 for the biennium for technology based services and facility rent charged by other agencies.

Reductions in state special revenue reflect the comparison to the base year and the cyclical nature of this program.

**LFD
ISSUE****Information Technology Cost Management**

The Office of Legislative Information Technology is responsible for the IT enterprise for the branch. It is faced with balancing the needs of the legislature in a rapidly changing technological environment which requires constant interface with the Executive Branch enterprise as it affects the Legislative Branch enterprise.

The Executive Branch governs its statewide information technology system and practices based on the statutorily defined Montana Information Technology Act (MITA). This act provides the structure for setting policy and procedures for delivery of information technology products and services to state agencies. Decisions made on the management of that system and on what systems and software will be supported have a profound impact on costs incurred by state agencies and by the Legislative Branch. The Legislative Branch is not subject to the governance of the executive branch in MITA, but is tasked to work cooperatively with the Executive Branch to coordinate and efficiently deliver information technology services in as seamless a manner as possible, while retaining a separation of powers and adequate security. In that regard, the Legislative Branch relies significantly as a customer on the Executive Branch core services and structure to avoid redundancy in the delivery of services as currently provided. However, as a result of recent changes to the Executive Branch governance structure, it does not have a direct voice in the decisions as to service policies and changes in existing services. The branch operates on a separate governing statute for information technology.

Decisions made in the past have had a significant impact on the cost of information technology services for the Legislative Branch as well as other customer agencies of the Information Technology Services Division (ITSD). These changes are often unbudgeted, and place a significant financial strain on agencies to “retool” to remain current and maintain compatibility with state standards and service support. In view of this issue, the 2005 Legislature amended statute (2-17-526, MCA) to require that when major new information technology projects impact other agencies, including replacements and upgrades, ITSD and the Office of Budget and Program Planning (OBPP) must, in addition to explaining the accomplishments to be achieved by the project, provide a report of all agencies/entities impacted by the change and an estimate of the cost and resource impact on existing information technology applications.

ITSD management recently issued a Chief Information Officer (CIO) Advisory White Paper that states that they are considering elimination of support for Novell products and services, which is used extensively by state agencies. The Legislative Branch also uses Novell products extensively in its information technology environment, and it would require significant resources to either convert to another software product, or to assume in-house support of Novell, which may be necessary due to the invasive level of dependence of branch information technology architecture on that product.

The state CIO has unofficially stated that ITSD will make a decision on Novell support in about a year. If this change were implemented before the next budget cycle, it would create a significant financial strain on the Legislative Branch budget.

**LFD
ISSUE (CONT.)**

The legislature should consider this issue and the potential impact of this decision and other information technology decisions on the Legislative Branch budget, and explore ways to manage the fiscal impact of information technology policy decisions for the long term. For the purpose of managing this emergent issue, the following options are provided:

- Provide the Legislative Branch a contingency appropriation to fund two additional FTE to assume direct support for Novell Netware products, or to cover costs of conversion to a new product
- In addition to the first option, authorize the use of ITSD fee allocations to the Legislative Branch to be diverted to purchase direct licensing and support from Novell
- Take action in a legislative bill or other authorization to advise the Executive Branch not to implement any change in existing services until they have identified the impacts in accordance with state law and have identified the financial impact on agencies that then could be budgeted in the next biennium

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the Legislative Council.

Program Funding Table Legislative Services Div						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 4,337,321	83.9%	\$ 5,266,001	85.9%	\$ 5,526,009	94.3%
01100 General Fund	4,337,321	83.9%	5,266,001	85.9%	5,526,009	94.3%
02000 Total State Special Funds	830,398	16.1%	864,666	14.1%	337,059	5.7%
02800 Reimbursable Activities	786,636	15.2%	822,364	13.4%	308,789	5.3%
02985 State Government Broadcasting	43,762	0.8%	42,302	0.7%	28,270	0.5%
Grand Total	<u>\$ 5,167,719</u>	<u>100.0%</u>	<u>\$ 6,130,667</u>	<u>100.0%</u>	<u>\$ 5,863,068</u>	<u>100.0%</u>

The Legislative Services Program is funded by general fund except for state special revenue appropriations that support costs associated with the state broadcasting service and the preparation, publication, and distribution of Montana Codes Annotated.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Legislative Council. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				466,155					543,926
Inflation/Deflation				809					1,068
Fixed Costs				86,120					123,716
Total Statewide Present Law Adjustments				\$553,084					\$668,710
DP 1 - Program Operations, Legislative Services Division									
0.00	199,348	38,740	0	238,088	0.00	192,834	(274,117)	0	(81,283)
Total Other Present Law Adjustments									
0.00	\$199,348	\$38,740	\$0	\$238,088	0.00	\$192,834	(\$274,117)	\$0	(\$81,283)
Grand Total All Present Law Adjustments				\$791,172					\$587,427

**LFD
COMMENT**

Statewide present law adjustments for personal services are discussed in the Agency Discussion. Agency-wide fixed costs assessed to LSD increased a total of \$209,836 over the doubled FY 2006 base amount due to increases in capitol complex rent, charges for data network services, and indirect cost rates.

DP 1 - Program Operations, Legislative Services Division - Increases and decreases reflect the legislative business cycle, including a \$41,543 increase in the first year and a \$257,282 decrease in the second year related to publication and distribution of the Montana Codes Annotated, and a second year increase of \$17,000 related to increased printing and office supply costs during a legislative session. In general, these costs are similar to prior biennium costs, but are not included in the base year budget. The branch computer network budget, as approved by the Computer Systems Planning Council, is included.

New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Network Technician FTE/Contracted Srv Reduction										
20	1.00	(26,393)	0	0	(26,393)	1.00	(26,353)	0	0	(26,353)
DP 3 - Computer Security FTE/Contracted Srv Reduction										
20	1.00	(436)	0	0	(436)	1.00	74,624	0	0	74,624
DP 4 - Technology Allowance for Legislators										
20	0.00	135,000	0	0	135,000	0.00	0	0	0	0
DP 5 - Legislative Information Officer FTE										
20	1.00	63,605	0	0	63,605	1.00	59,651	0	0	59,651
Total	3.00	\$171,776	\$0	\$0	\$171,776	3.00	\$107,922	\$0	\$0	\$107,922

DP 2 - Network Technician FTE/Contracted Srv Reduction - This proposal includes a biennial general fund reduction of \$135,000 in present law contracted services from the branch computer network budget and a biennial increase of \$82,254 in personal services for 1.0 FTE to fund an ongoing need for a network technician. The general fund reduction of \$52,746 over the biennium is the result of personal services costs compared to contracted services hourly rates.

DP 3 - Computer Security FTE/Contracted Srv Reduction - During the 2007 biennium, the Legislative Services Division contracted a security risk analysis of the Legislative Branch information technology environment and for development of related security policies. A separate contract finalized development of a disaster recovery plan for the branch. In response to report recommendations, the LSD is requesting the addition of a Security and Disaster Recovery Officer to ensure the technology security plan and the disaster recovery plan are implemented and maintained. The biennial general fund cost of \$149,188, when combined with a reduction of \$75,000 in the branch network budget, results in a biennial increase of \$74,188.

DP 4 - Technology Allowance for Legislators - The Computer Systems Planning Council, at the request of the Legislative Council, is proposing a program to financially assist legislators in purchasing hardware or software for conducting legislative business. Each legislator would be eligible to be reimbursed up to \$900 for substantiated purchases which meet program criteria.

DP 5 - Legislative Information Officer FTE - The proposal provides for a legislative information officer to conduct and coordinate public outreach and to increase awareness and understanding of the legislative institution. Biennial costs include an operational budget of \$6,261, a \$20,000 budget for printing and distribution of educational materials and for training, and personal services costs of \$96,998.

Program Proposed Budget

The following table summarizes the total executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97	0.97
Personal Services	68,237	47,392	6,612	122,241	(28,293)	6,614	46,558	168,799
Operating Expenses	274,445	86,147	128,021	488,613	(68,472)	131,147	337,120	825,733
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$342,682	\$133,539	\$134,633	\$610,854	(\$96,765)	\$137,761	\$383,678	\$994,532
General Fund	342,682	133,539	134,633	610,854	(96,765)	137,761	383,678	994,532
State/Other Special	0	0	0	0	0	0	0	0
Total Funds	\$342,682	\$133,539	\$134,633	\$610,854	(\$96,765)	\$137,761	\$383,678	\$994,532

Program Description

The Legislative Committees and Activities Program supports the activities of standing and interim legislative committees conducted during the interim between legislative sessions. Program expenditures support: 1) interim study activities as defined in 5-5-202 through 5-5-217, MCA; 2) cooperative interstate, international and intergovernmental activities as outlined in 5-11-303 through 5-11-305, MCA; and 3) other legislative activities for which appropriations are made.

Program Highlights

Legislative Committees and Activities Major Budget Highlights	
◆	Increases are due to: <ul style="list-style-type: none"> • Minor present law adjustments • New proposals for dues and legislator participation in regional and national organizations

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the Legislative Council.

Program Funding Table Legis. Committees & Activities						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 342,682	100.0%	\$ 610,854	100.0%	\$ 383,678	100.0%
01100 General Fund	342,682	100.0%	610,854	100.0%	383,678	100.0%
Grand Total	<u>\$ 342,682</u>	<u>100.0%</u>	<u>\$ 610,854</u>	<u>100.0%</u>	<u>\$ 383,678</u>	<u>100.0%</u>

The program is funded with general fund.

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Legislative Council. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					47,392					(28,293)
Inflation/Deflation					755					780
Total Statewide Present Law Adjustments					\$48,147					(\$27,513)
DP 6 - Program Operations, Committees & Activities Prg										
	0.00	85,392	0	0	85,392	0.00	(69,252)	0	0	(69,252)
Total Other Present Law Adjustments	0.00	\$85,392	\$0	\$0	\$85,392	0.00	(\$69,252)	\$0	\$0	(\$69,252)
Grand Total All Present Law Adjustments					\$133,539					(\$96,765)

DP 6 - Program Operations, Committees & Activities Prg - First year increases and second year decreases reflect the adjustments to the base year for the biennial legislative cycle. Program increases relate to increased cost of legislator mileage, photocopy equipment, and revisions to 2-15-1019, MCA, requiring legislative liaisons to the State Compensation Insurance Fund board of directors.

New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7 - Participation, Nat'l Conf of State Legislatures										
21	0.00	14,248	0	0	14,248	0.00	14,248	0	0	14,248
DP 8 - Participation & Dues, Council of State Govt.										
21	0.00	91,177	0	0	91,177	0.00	94,303	0	0	94,303
DP 9 - Participation, Pacific NW Econ Region										
21	0.00	20,538	0	0	20,538	0.00	20,539	0	0	20,539
DP 10 - Participation, River Governance										
21	0.00	8,670	0	0	8,670	0.00	8,671	0	0	8,671
Total	0.00	\$134,633	\$0	\$0	\$134,633	0.00	\$137,761	\$0	\$0	\$137,761

DP 7 - Participation, Nat'l Conf of State Legislatures - Montana is a member of the National Conference of State Legislatures (NCSL), an interstate organization which provides research and technical assistance, and opportunities for policymakers to exchange ideas. This proposal allows for participation of eight delegates in one NCSL conference each year at a biennial cost of \$28,496.

DP 8 - Participation & Dues, Council of State Govt. - This proposal provides for payment of Montana's membership dues in the Council of State Governments (CSG), an interstate organization which serves the Executive, Judicial and Legislative branches of state governments and advocates multi-state problem solving. A biennial budget of \$185,480 includes \$159,464 for dues and \$26,016 for participation of eight delegates in one CSG conference each year.

DP 9 - Participation, Pacific NW Econ Region - Title 5, Chapter 11, part 7, MCA, defines Montana's agreement with the Pacific Northwest Economic Region (PNWER), an international organization promoting regional collaboration among the states of Alaska, Idaho, Montana, Oregon, and Washington, the provinces of Alberta and British Columbia, and the Yukon Territory. Statute also defines procedures for the appointment and compensation of delegates. A budget of \$41,077 represents payment of \$30,000 for Montana's dues and participation of four delegates once each fiscal year.

DP 10 - Participation, River Governance - The Legislative Council on River Governance is comprised of legislators from Montana, Oregon, Idaho, and Washington. The council mission is to assert state legislative authority over natural resources and river governance issues and to unite states for a proactive agenda of legislative action. This proposal provides funding for four members to participate in council meetings during the 2009 biennium.

Program Proposed Budget

The following table summarizes the total executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	18.50	0.00	0.00	18.50	0.00	0.00	18.50	18.50
Personal Services	1,206,744	218,400	0	1,425,144	220,508	0	1,427,252	2,852,396
Operating Expenses	36,290	(214)	0	36,076	43,292	0	79,582	115,658
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$1,243,034	\$218,186	\$0	\$1,461,220	\$263,800	\$0	\$1,506,834	\$2,968,054
General Fund	1,243,034	218,186	0	1,461,220	263,800	0	1,506,834	2,968,054
Total Funds	\$1,243,034	\$218,186	\$0	\$1,461,220	\$263,800	\$0	\$1,506,834	\$2,968,054

Program Description

The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state; 2) identification of ways to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) compiling and analyzing fiscal information for legislators and legislative committees; and 6) staffing and support for legislative committees, including the preparation and processing of the General Appropriations Act. The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Highlights

Legislative Fiscal Division Major Budget Highlights	
◆ Increases due to:	
• Statewide present law adjustments for:	
○ Pay plan annualizations and adjustments	
○ Cyclical nature of legislative session costs, not in base year	

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the Legislative Finance Committee

Program Funding Table Fiscal Analysis & Review						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 1,243,034	100.0%	\$ 1,461,220	100.0%	\$ 1,506,834	100.0%
01100 General Fund	1,243,034	100.0%	1,461,220	100.0%	1,506,834	100.0%
Grand Total	<u>\$ 1,243,034</u>	<u>100.0%</u>	<u>\$ 1,461,220</u>	<u>100.0%</u>	<u>\$ 1,506,834</u>	<u>100.0%</u>

This program is funded with general fund.

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Legislative Finance Committee. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				218,400					219,008
Inflation/Deflation				(214)					(208)
Total Statewide Present Law Adjustments				\$218,186					\$218,800
DP 12 - Program Operations, Analysis & Review Program									
0.00	0	0	0	0	0.00	45,000	0	0	45,000
Total Other Present Law Adjustments									
0.00	\$0	\$0	\$0	\$0	0.00	\$45,000	\$0	\$0	\$45,000
Grand Total All Present Law Adjustments				\$218,186					\$263,800

**LFD
COMMENT**

Statewide present law adjustments for personal services are included in the Agency Discussion.

DP 12 - Program Operations, Analysis & Review Program - Increases to base total \$45,000 in the categories of overtime, temporary services, printing and photocopy, and office supplies, and are due to cyclical legislative session costs which are not captured in the base year. This is the same amount approved for 2007 biennium session costs, and is not an increase when comparing biennium to biennium.

Program Proposed Budget

The following table summarizes the total executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50	54.50
Personal Services	3,051,194	573,195	0	3,624,389	586,037	0	3,637,231	7,261,620
Operating Expenses	190,170	5,880	0	196,050	2,125	0	192,295	388,345
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$3,241,364	\$579,075	\$0	\$3,820,439	\$588,162	\$0	\$3,829,526	\$7,649,965
General Fund	1,806,980	362,828	0	2,169,808	442,662	0	2,249,642	4,419,450
State/Other Special	1,434,384	216,247	0	1,650,631	145,500	0	1,579,884	3,230,515
Total Funds	\$3,241,364	\$579,075	\$0	\$3,820,439	\$588,162	\$0	\$3,829,526	\$7,649,965

Program Description

The Legislative Audit Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Audit Committee provides policy guidance to the Legislative Audit Division.

Program Highlights

Audit and Examination Major Budget Highlights	
◆ Increases due to:	<ul style="list-style-type: none"> Statewide present law adjustments for pay plan annualizations and adjustments Cyclical nature of audit costs

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the Legislative Audit Committee.

Program Funding Table Audit & Examination						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 1,806,980	55.7%	\$ 2,169,808	56.8%	\$ 2,249,642	58.7%
01100 General Fund	1,806,980	55.7%	2,169,808	56.8%	2,249,642	58.7%
02000 Total State Special Funds	1,434,384	44.3%	1,650,631	43.2%	1,579,884	41.3%
02042 Legislative Audit	1,434,384	44.3%	1,650,631	43.2%	1,579,884	41.3%
Grand Total	\$ 3,241,364	100.0%	\$ 3,820,439	100.0%	\$ 3,829,526	100.0%

This program is funded through a combination of general fund and state special revenue funds generated through the assessment to agencies of federally approved hourly rates charged for audit services.

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Legislative Audit Committee. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				573,195					586,037
Inflation/Deflation				2,925					3,670
Total Statewide Present Law Adjustments				\$576,120					\$589,707
DP 13 - Program Operations, Audit & Examination Program									
0.00	3,958	(1,003)	0	2,955	0.00	(476)	(1,069)	0	(1,545)
Total Other Present Law Adjustments									
0.00	\$3,958	(\$1,003)	\$0	\$2,955	0.00	(\$476)	(\$1,069)	\$0	(\$1,545)
Grand Total All Present Law Adjustments				\$579,075					\$588,162

**LFD
COMMENT**

Statewide present law adjustments for personal services are included in the Agency Discussion.

DP 13 - Program Operations, Audit & Examination Program - Changes from the adjusted base include cyclical costs associated with a peer review required by governmental auditing standards, on-site training costs, and contract services for the potential use of actuarial expertise on audits of the retirements systems and the Montana State Fund.